

# DEBT SERVICE FUND

## Program Summary

The Debt Service Fund is an accounting entity established to record the retirement of the City's general obligation bonded indebtedness. Expenditures in this fund include principal and interest payments on the City's debt as well as administrative costs associated with selling bonds.

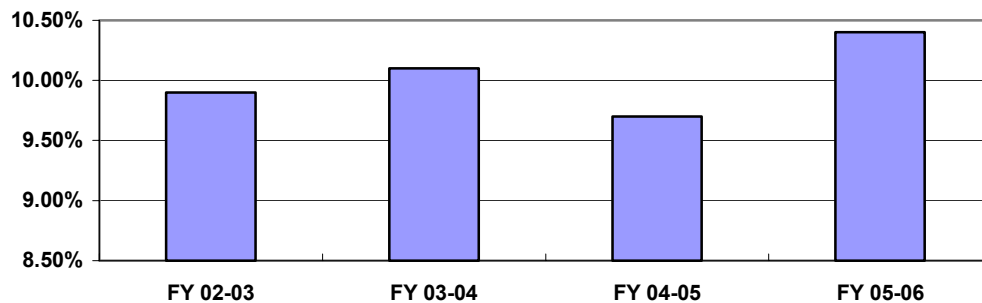
## BUDGET SUMMARY

	2002-03 Actual	2003-04 Budget	2004-05 Recommended	2005-06 Projected
<b>Expenditures:</b>				
General Obligation Bond Retirement	17,973,414	19,777,165	<b>20,294,300</b>	22,729,020
Total	17,973,414	19,777,165	<b>20,294,300</b>	22,729,020
<b>Revenues:</b>				
Transfer	13,057,060	13,383,150	<b>14,425,000</b>	15,072,750
All Other	3,496,042	2,385,000	<b>2,615,000</b>	2,805,000
Fund Balance	2,108,760	4,009,015	<b>3,254,300</b>	4,851,270
Total	18,661,862	19,777,165	<b>20,294,300</b>	22,729,020

## BUDGET HIGHLIGHTS

- The Debt Service Fund will increase 2.6%, or approximately \$500,000, in FY 04-05. An additional \$2.4 million in debt service expense is projected in FY 05-06 for \$25 million in General Obligation Bonds scheduled to be issued in Spring 2005.

Annual General Obligation Debt as a Percentage of General Fund



# SUMMARY OF OUTSTANDING DEBT ISSUES AS OF JUNE 30, 2004

<u>ISSUE</u>	<u>PURPOSE</u>	<u>AMOUNT ISSUED</u>	<u>ISSUE DATE</u>	<u>AMOUNT OUTSTANDING</u>
<b>GENERAL OBLIGATION BONDS</b>				
Streets	Street Improvements	17,330,000	2003	16,515,490
Transportation	Public Transportation	500,000	2003	476,500
Parks and Recreation	Parks and Recreation Facilities	16,600,000	2003	15,819,800
Public Safety	Fire Station	5,170,000	2003	4,927,010
Public Buildings	Law Enforcement Facilities	7,080,000	2003	6,747,240
Public Buildings	Library Facilities	3,320,000	2003	3,163,960
Streets	Street & Bridge Construction	13,500,000	1998	11,281,587
Public Safety	Communications System	6,500,000	1998	5,431,875
Public Safety	Training Facilities	14,500,000	1998	12,117,260
Public Safety	Construction of Fire Station	1,500,000	1998	1,253,510
Public Buildings	Construction of Public Facilities	6,000,000	1998	5,014,038
Housing & Redevelopment	Low Income Housing Projects	10,000,000	1998	8,356,730
Recreation Facilities	Western Recreation Center; Ice Skating Center Construction	3,485,000	1994	2,432,925
Public Buildings	Police Communication Center	1,815,000	1994	1,267,075
Streets	Street Construction	20,100,000	1994	15,130,000
Housing & Redevelopment	Low Income Housing Projects	12,825,000	1994	7,315,000
Streets	Street Construction	25,000,000	1992	12,568,481
Recreation Facilities	Coliseum Renovation; New Main Library Construction	41,725,000	1992	20,976,795
Housing & Redevelopment	Low Income Housing Projects	3,550,000	1992	1,784,724
Streets	Street Construction	21,400,000	1988/90	10,355,804
Housing & Redevelopment	Low Income Housing Projects	2,850,000	1988/90	1,379,161
Public Safety	Construction of Fire Stations	674,160	1988/90	326,237
Recreation Facilities	Bryan Park, Barber Park, other	3,275,840	1988/90	1,585,232
Public Buildings	Construction of Public Facilities	400,000	1988/90	193,566
Recreation Facilities	Cultural Center; Science Center	19,110,000	1986	0
Public Safety	Construction of Fire Stations	1,905,000	1986	0
Streets	Street Construction	2,500,000	1986	0
Community Development	Affordable Housing Projects	2,900,000	1986	0
Total		265,515,000		166,420,000
<b>WATER RESOURCES GENERAL OBLIGATION BONDS</b>				
Water Bonds	Water Treatment Plant Projects	3,510,070	1992/93	1,436,231
Sewer Bonds	Sanitary Sewer Projects	10,114,930	1993/94	2,218,769
Total		13,625,000		3,655,000

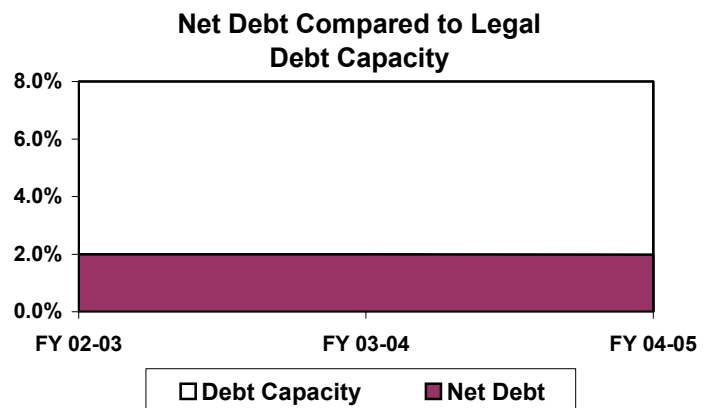


### ANNUAL GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS CURRENT OUTSTANDING ISSUES

FISCAL YEAR	GENERAL DEBT PRINCIPAL	DEBT INTEREST	WATER RESOURCES PRINCIPAL	INTEREST	TOTAL PRINCIPAL	PRIN. & INT.
<b>04-05</b>	<b>12,510,000</b>	<b>7,954,418</b>	<b>1,080,000</b>	<b>188,485</b>	<b>13,590,000</b>	<b>21,732,903</b>
05-06	12,610,000	7,378,763	1,075,000	132,385	13,685,000	21,196,148
06-07	13,230,000	6,787,568	610,000	75,505	13,840,000	20,703,073
07-08	13,295,000	6,169,133	605,000	44,605	13,900,000	20,113,738
08-09	13,425,000	5,532,136	200,000	13,765	13,625,000	19,170,901
09-10	13,635,000	4,895,083	85,000	4,165	13,720,000	18,619,248
10-11	13,785,000	4,246,488			13,785,000	18,031,488
11-12	11,085,000	3,559,973			11,085,000	14,644,973
12-13	7,690,000	3,001,523			7,690,000	10,691,523
13-14	7,915,000	2,625,642			7,915,000	10,540,642
14-15	4,940,000	2,237,648			4,940,000	7,177,648
15-16	5,065,000	2,021,918			5,065,000	7,086,918
16-17	5,195,000	1,800,313			5,195,000	6,995,313
17-18	5,340,000	1,571,175			5,340,000	6,911,175
18-19	5,580,000	1,329,275			5,580,000	6,909,275
19-20	5,680,000	1,058,100			5,680,000	6,738,100
20-21	5,980,000	780,800			5,980,000	6,760,800
21-22	6,130,000	462,250			6,130,000	6,592,250
22-23	3,330,000	133,200			3,330,000	3,463,200
<b>TOTAL</b>	<b>166,420,000</b>	<b>63,545,406</b>	<b>3,655,000</b>	<b>458,910</b>	<b>170,075,000</b>	<b>234,079,316</b>

The table above lists the City's annual principal and interest obligations through year 2023 on the City's general obligation current issued debt. Included for each year is Water Resources principal and interest, non-utility principal and interest, and the combined total.

A municipality's total net debt can not exceed 8% of its appraised valuation. As of March 2004, Greensboro currently has a net debt of \$300 million and an estimated appraised valuation of \$16.7 billion. Greensboro's net debt is equal to 2% of its appraised valuation, and has been for several years, well under the legal debt limit established for municipalities.



**SUMMARY OF OUTSTANDING DEBT ISSUES  
AS OF JUNE 30, 2004**

<u>ISSUE</u>	<u>PURPOSE</u>	<u>AMOUNT ISSUED</u>	<u>ISSUE DATE</u>	<u>AMOUNT OUTSTANDING</u>
<b>SPECIAL OBLIGATION BONDS</b>				
Solid Waste Disposal Facilities	Landfill Expansion & Improvements	16,000,000	1997	11,455,000
<b>CERTIFICATES OF PARTICIPATION*</b>				
Coliseum	Coliseum Improvements	31,320,000	1999	24,825,000
Coliseum	Coliseum Improvements	1,100,000	1995	740,000
Parking	Parking Facilities	19,609,401	1991	8,980,573
Coliseum	Coliseum Improvements	2,005,599	1991	949,427
Parking	Parking Facilities	1,505,000	2002	1,180,000
Total		55,540,000		36,675,000

Certificates of participation issued for Coliseum expansion will be repaid with Hotel/Motel Tax revenues. Certificates issued for parking decks will be repaid with parking deck fees. Excludes certificates of participation for various equipment purchases and property acquisition.

**ANNUAL CERTIFICATES OF PARTICIPATION DEBT SERVICE REQUIREMENTS**

FISCAL	CERTIFICATES OF PARTICIPATION		TOTAL
YEAR	PRINCIPAL	INTEREST	
04-05	3,915,000	2,337,307	6,252,307
05-06	4,195,000	2,076,083	6,271,083
06-07	4,500,000	1,793,670	6,293,670
07-08	4,820,000	1,489,256	6,309,256
08-09	5,130,000	1,162,755	6,292,755
09-10	2,840,000	891,612	3,731,612
10-11	2,870,000	688,800	3,558,800
11-12	3,040,000	481,950	3,521,950
12-13	1,220,000	332,850	1,552,850
13-14	1,295,000	244,825	1,539,825
14-15	1,380,000	151,200	1,531,200
15-16	1,470,000	51,450	1,521,450
TOTAL	36,675,000	11,701,758	48,376,758

This special obligation debt is funding the 1997 expansion of the City's White Street Landfill, including the construction of two additional cells and leachate management facilities and the acquisition of approximately 144 acres of adjacent land to be used as a buffer area and for fill soil.

**ANNUAL SPECIAL OBLIGATION DEBT SERVICE REQUIREMENTS**

FISCAL	SPECIAL OBLIGATION		TOTAL
YEAR	PRINCIPAL	INTEREST	
04-05	1,040,000	578,881	1,618,881
05-06	1,090,000	528,961	1,618,961
06-07	1,145,000	475,551	1,620,551
07-08	1,200,000	419,446	1,619,446
08-09	1,260,000	359,446	1,619,446
09-10	1,325,000	296,446	1,621,446
10-11	1,390,000	228,540	1,618,540
11-12	1,465,000	156,260	1,621,260
12-13	1,540,000	80,080	1,620,080
TOTAL	11,455,000	3,123,611	14,578,611



*Capital Improvements/Debt Service – Debt Service Fund*

<u>ISSUE</u>	<u>PURPOSE</u>	<u>AMOUNT ISSUED</u>	<u>ISSUE DATE</u>	<u>AMOUNT OUTSTANDING</u>
<b>COMBINED ENTERPRISE SYSTEM REVENUE BONDS</b>				
Water Resources	Water and Wastewater	<b>50,000,000</b>	1995	<b>32,390,000</b>
Water Resources	Treatment Plant Projects	<b>40,000,000</b>	1998	<b>34,860,000</b>
Water Resources	Treatment Plant Projects	<b>55,930,000</b>	2001	<b>53,785,000</b>
Water Resources	Water and Wastewater	<b>43,435,000</b>	2003	<b>43,435,000</b>
Total		<b>189,365,000</b>		<b>164,470,000</b>

FISCAL YEAR	WATER REVENUE		SEWER REVENUE		TOTAL W&S REVENUE BOND	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	PRIN. & INT.
04-05	1,346,000	2,415,937	3,374,000	6,214,406	4,720,000	13,350,343
05-06	1,427,000	2,346,097	3,598,000	6,036,446	5,025,000	13,407,543
06-07	1,507,000	2,282,708	3,828,000	5,869,200	5,335,000	13,486,908
07-08	1,577,000	2,220,422	4,018,000	5,710,874	5,595,000	13,526,296
08-09	1,643,250	2,146,653	4,166,750	5,530,187	5,810,000	13,486,840
09-10	1,743,750	2,069,673	4,451,250	5,342,650	6,195,000	13,607,323
10-11	1,804,750	1,985,698	4,575,250	5,124,181	6,380,000	13,489,879
11-12	1,894,750	1,894,455	4,810,250	4,887,483	6,705,000	13,486,938
12-13	1,991,250	1,799,909	5,058,750	4,643,689	7,050,000	13,493,598
13-14	2,087,750	1,699,777	5,307,250	4,386,346	7,395,000	13,481,123
14-15	2,192,000	1,597,772	5,573,000	4,126,730	7,765,000	13,489,502
15-16	2,298,250	1,490,643	5,841,750	3,854,014	8,140,000	13,484,657
16-17	2,417,500	1,373,785	6,147,500	3,554,141	8,565,000	13,492,926
17-18	2,537,750	1,250,858	6,457,250	3,238,562	8,995,000	13,484,420
18-19	2,668,250	1,121,143	6,791,750	2,905,053	9,460,000	13,486,196
19-20	2,728,500	983,564	6,721,500	2,550,689	9,450,000	12,984,253
20-21	2,855,750	824,805	7,039,250	2,147,614	9,895,000	12,867,419
21-22	2,991,500	719,765	7,378,500	1,908,902	10,370,000	12,998,667
22-23	2,197,000	609,397	4,923,000	1,657,590	7,120,000	9,386,987
23-24	2,299,750	560,066	5,155,250	1,592,997	7,455,000	9,608,063
24-25	1,381,250	449,603	4,143,750	1,348,810	5,525,000	7,323,413
25-26	1,443,750	417,750	4,331,250	1,253,250	5,775,000	7,446,000
26-27	701,250	64,631	2,103,750	193,894	2,805,000	3,063,525
27-28	735,000	33,073	2,205,000	99,218	2,940,000	3,072,291
TOTAL	46,470,000	32,358,184	118,000,000	84,176,926	164,470,000	281,005,110

The Water Resources Revenue Bonds consist of the expansion to the Townsend Water Treatment Plant and the construction of three storage tanks; an expansion of the Osborne Wastewater Treatment Plant, including centrifuges and a sludge incinerator; and various other improvements to the City's water and sanitary sewer system.